

TEMPLE UNIVERSITY,
HEALTH SCIENCES CENTER,
SCHOOL OF PHARMACY,
Philadelphia, Pa., September 9, 1970.

MR. BENJAMIN GORDON,
Select Committee on Small Business,
U.S. Senate, Washington, D.C.

DEAR MR. GORDON: Pursuant to your request during the drug procurement hearings in August, I have verified the pharmaceutical price which you questioned. The pharmaceutical, Librium (chlordiazepoxide) 10 mg., was purchased at a price of \$31.50 per 500 capsules from the wholesaler, and not \$38.00 as reported in the Table III.

I hope this information will prove of interest to you in your data analysis.
Sincerely,

STEPHEN H. PAUL, PH.D.,
Pharmaceutical Consultant.

TABLE I.—IN-HOUSE PHARMACY DRUG PURCHASES

Year	Dollars spent ¹	Health centers reporting
1968.....	\$285,048	10
1969.....	774,393	12
1970.....	² 452,245	21

¹ This monetary sum includes pharmaceuticals purchased for physician utilization.

² This sum represents the money spent for pharmaceuticals during the 1st quarter of 1970. The estimated drug budget for in-house pharmacy programs for 1970 is projected to be \$1,722,087 for 22 health centers reporting.

TABLE II.—COMMUNITY PHARMACY CHARGES TO NEIGHBORHOOD HEALTH CENTERS

Year	Dollar charges	Health centers reporting
1968.....	\$139,231	12
1969.....	437,396	14
1970.....	¹ 195,604	13

¹ This sum represents funds paid to participating pharmacies during the 1st quarter of 1970. Medicaid prescription charges are not included in this figure.

TABLE III.—Inhouse Drug Costs For Selected Drug Products

Ampicillin, 250 mg. CAP:

Direct from manufacturer at the FSS price:

Bristol: \$29.20 per 500.

Bristol: \$32.75 per 500.

Squibb: \$33.00 per 500.

Bristol: \$6.67 per 100.

Ayerst: \$6.70 per 100.

Direct from manufacturer at the hospital price:

Bristol: \$42.50 per 500.

Direct from manufacturer at a contract or negotiated price:

Wyeth: \$28.75 per 500.

Bristol: \$5.50 per 100; \$5.60 per 100.

Wyeth: \$28.80 per 500; \$32.95 per 500.

Direct from VA Supply Depot or VA Hospital:

\$32.95 per 500.

\$6.67 per 100.